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# Message Text

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44
ACTION EUR-12

INFO OCT-01 EA-07 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00

INRE-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 AID-05

COME-00 EB-07 FRB-03 TRSE-00 XMB-02 OPIC-03 CIEP-01

LAB-04 SIL-01 OMB-01 STR-04 CEA-01 ABF-01 FS-01 /094 W
---------- 028761
O R 031601Z FEB 76
FM AMEMBASSY ROME
TO SECSTATE WASHDC IMMEDIATE 5519
INFO AMEMBASSY BERN
AMEMBASSY BONN
AMEMBASSY BRUSSELS
USMISSION EC BRUSSELS
AMEMBASSY THE HAGUE
AMEMBASSY LONDON
AMEMBASSY OTTAWA
AMEMBASSY PARIS
USMISSION OECD PARIS
AMEMBASSY STOCKHOLM
AMEMBASSY TOKYO

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PASS TREASURY AND FRB

E.O. 11652: N/A
TAGS: EFIN, IT
SUBJECT: ITALIAN EXCHANGE MARKET DEVELOPMENTS

1. HEAD OF BANK OF ITALY EXCHANGE OPERATIONS, GERONSI,
TOLD TREASATT FEBRUARY 3 THAT FRANKFURT DOLLAR/LIRA
FIXING (CALCULATED ON BASIS CROSS RATES) WAS 768.16
LIRE PER DOLLAR. BOI WEIGHTED AVERAGE DEPRECIATION
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INDICES, ALSO BASED ON FRANKFURT RATES, SHOWED DEPRECIATION

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OF LIRA SINCE FEBRUARY 1973 OF 29.63 PERCENT AGAINST
ALL CURRENCIES, 24.37 PERCENT AGAINST DOLLAR AND 33.64
PERCENT AGAINST EC CURRENCIES.

2. GERONSI SAID THAT, UNLIKE FEBRUARY 2, EXCHANGE
MARKET ON FEBRUARY 3 HAD BEEN VERY CALM. VOLUME OF
TRADING WAS ABOUT $35 TO $40 MILLION AND OPERATIONS
SEEMED TO REFLECT MAINLY UNDERLYING COMMERCIAL
TRANSACTIONS RATHER THAN ERRATIC SPECULATIVE MOVEMENTS
WHICH HAD PREVAILED ON PREVIOUS DAY. LIRA/DOLLAR RATE
STRENGTHENED SLIGHTLY AROUND CLOSE OF BUSINESS IN
RANGE 764.50 TO 766.50.

3. GERONSI CHARACTERIZED AS UNFOUNDED PRESS REPORT IN TURIN'S
"LA STAMPA" FEBRUARY 3 WHICH CLAIMED THAT
U.S. MONETARY AUTHORITIES HAD INTERVENED IN SUPPORT
OF LIRA ON FEBRUARY 2 BECAUSE THEY WERE CONCERNED
THAT COLLAPSE OF LIRA MIGHT UNDERMINE ENTIRE
SYSTEM OF EXCHANGE RATE RELATIONSHIPS AMONG WESTERN
COUNTRIES.VOLPE

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# Message Attributes

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**To:** STATE
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